

## Senate Bill 622: Fiscal Impact (\$ in Millions)

FY 2019-20   FY 2020-21   FY 2021-22   FY 2022-23   FY 2023-24

<b>PERSONAL INCOME TAX</b>					
- Increase the standard deduction to \$20,750 MFJ for 2021.	0.0	(38.9)	(86.7)	(87.4)	(88.1)
- Allow taxpayers age 70.5+ to roll over distributions to charitable nonprofits tax-free (eff. beginning 2019).	(1.0)	(1.0)	(1.1)	(1.1)	(1.2)
<b>Subtotal: Personal Income Tax</b>	<b>(1.0)</b>	<b>(39.9)</b>	<b>(87.8)</b>	<b>(88.5)</b>	<b>(89.3)</b>
<b>CORPORATE INCOME AND FRANCHISE TAX</b>					
- Reduce franchise tax rate to \$1.30/\$1,000 effective for 2019 returns and to \$1.00/\$1000 effective for 2020 returns; eliminate 55% appraised value base; keep \$1.50 tax rate for utilities until 2026.	(101.9)	(239.9)	(250.0)	(260.5)	(271.4)
- Enact market-based sourcing (effective for 2020 returns).	3.0	7.5	7.9	8.4	8.9
- Provide tax deduction for NC economic incentive grants (effective for 2019).		Revenue decrease of less than \$1m per year.			
<b>Subtotal: Corporate Income and Franchise Tax</b>	<b>(98.9)</b>	<b>(232.4)</b>	<b>(242.1)</b>	<b>(252.1)</b>	<b>(262.5)</b>
<b>SALES AND USE TAXES</b>					
- Enact marketplace facilitator legislation (Assumes July 1 enactment, September 1 implementation).	97.5	135.2	140.6	146.2	152.0
- Extend sales tax exemption for qualifying airlines until 2024. Impact of this change is to the Highway Fund and these amounts are not included in General Fund totals below.	0.0	(5.4)	(10.8)	(10.9)	(11.1)
- Extend sales tax exemptions for NASCAR until 2024.	(2.9)	(3.0)	(3.1)	(3.3)	(3.4)
<b>Subtotal: Sales and Use Taxes</b>	<b>94.6</b>	<b>132.2</b>	<b>137.5</b>	<b>142.9</b>	<b>148.6</b>
<b>OTHER TAX PROVISIONS</b>					
- Extend Historic Rehabilitation Tax Credit until 1/1/24.	0.0	(4.5)	(5.0)	(5.5)	(6.0)
<b>Subtotal: Other Tax Provisions</b>	<b>0.0</b>	<b>(4.5)</b>	<b>(5.0)</b>	<b>(5.5)</b>	<b>(6.0)</b>
<b>General Fund Impact</b>	<b>(5.3)</b>	<b>(144.6)</b>	<b>(197.4)</b>	<b>(203.2)</b>	<b>(209.2)</b>